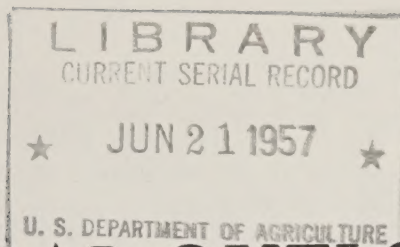


1.941
S 8Ag82
Cop. 2



FOR RELEASE
APRIL 25, A.M.

the AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



AOD-28 APRIL 1957

With figures for the first quarter available, we have reviewed the outlook for farmers for 1957.

Comparing the prospects for this year with the performance of 1956, this is the way it shapes up . . .

Farm Production---down.

Reduced plantings, mainly because of the Soil Bank, are likely to cut crop output this year. But stocks of grains and cotton are still big, even though carryovers of wheat, rice and cotton are being reduced. Total supplies of crops will continue heavy.

Combined output of livestock products remains near the 1956 peak. Output of eggs and hogs are down but milk, broilers, and turkeys are up and beef cattle slaughter is large.

Demand---as strong or stronger.

Economic activity is leveling off after a sharp 2-year rise, but consumer income is still gaining and should continue higher this year than last. In the first quarter, incomes ran 5% above a year earlier and retail sales of food stores were up about 7%.

Farm Prices---a little higher.

No big change from current levels is expected for prices farmers receive. Index in March was up 4% from March 1956. Average for the year also should show a small edge over last year. Livestock prices probably will continue above 1956 but crop prices are likely to stay below. Supports for cotton, major grains and oil crops are lower than in 1956; those for other products about the same.

Farm Costs---higher.

The general, slow advance in the prices of things farmers buy continues. Interest, wages, tax and rental payments and depreciation charges on capital equipment also are up. Total farm production expenses are likely to exceed 1956, even though fewer acres are being farmed.

Farm Income---Up.

Cash receipts are likely to be down a little because of reduced production. But government payments under the Soil Bank probably will increase enough to raise the net income of operators. The increase should be fairly close to the 4% of last year.

LIVESTOCK. Total cattle marketings are likely to drop below a year earlier by late 1957. This outlook is based on the smaller number on farms, losses from spring snows, the easing of the drought which may reduce marketing off grass next fall. Sales of fed cattle are likely to continue large. Four percent more were on feed April 1 in 13 major States than a year earlier.

Trend in hogs slaughter is in the opposite direction. Below 1956 now, it is likely to catch up with a year earlier sometime this fall.

Reduced production points to higher average hog and cattle prices this year than last. Sheep and lamb prices also are likely to be up.

DAIRY. About the same average prices as in 1956 are likely for dairy farmers. National average support prices are unchanged from last year. Since production is likely to exceed the 1956 record, prices are likely to hold close to support.

EGGS AND POULTRY. Smaller egg production this fall than last is almost assured by the sharp cuts in hatching of flock replacement chicks so far this season. This is expected to result in higher prices than last year, beginning in late summer.

Turkey hatchings so far this season are running about 8% above last year when a record crop was produced. Gain in broiler marketings over last year is likely to become progressively smaller this summer, according to recent chick placements and egg settings.

OILSEEDS. The record rate of crushings and exports are expected to hold prices of soybeans at about current levels--slightly above support--the rest of this season. Early prospects indicate supplies for 1957-58 will be somewhat larger than this year.

Over one-third of the 1956 flaxseed crop has been placed under support. Little is likely to be redeemed since prices are likely to continue a little below support.

FEEDS. Supplies will continue heavy in 1957-58 through a small decline from this year's record may occur. Average yields on the acreages farmers intended to plant in March would cut feed grain production about 10 million tons below 1956's 119 million ton level. But stocks next October 1 will be up about 7 million tons. The supply of high protein feeds in 1957-58 probably will be at least up to this year's high level.

WHEAT. Forecasts of winter wheat production and farmers' planting intentions for spring wheat indicate production this year will be around 140 million bushels less than in 1956. A cut this size probably would permit another reduction in the carry-over by July 1, 1958.

VEGETABLES. Supplies of most processed vegetables are heavy, despite the high rate of consumption so far. Carryovers at the end of the season also are likely to be large and processors are likely to contract smaller acreages than last year. The cut-backs are likely to come in the canned items ... the frozen pack is likely to be at or near record levels.

FRUITS. Prices this spring probably will continue above a year earlier. Demand from consumers continues strong and exports are likely to be close to last year's high level.

COTTON. Continued heavy movement abroad points to a 1956-57 total export of more than 7 million bales. Last year's figure was 2.2 million. While domestic use is likely to fall nearly half a million bales below the 1955-56 figure of 9.2 million bales, total disappearance will be up about 4.4 million--to about 15.8 million. Disappearance of this size will reduce stocks about $2\frac{1}{2}$ million bales next August 1.